PHILIP MORRIS USA — INTER-OFFICE CORRESPONDENCE

120 PARK AVENUE, NEW YORK, NY 10017-5592

TO: Sue Norris

DATE: January 11, 1996

FROM: Deborah Potter

SUBJECT: **Marlboro Urban Visibility Program 1/96 Action Plan**

This note addresses various issues we discussed during our December meetings, and provides a comprehensive action plan for January '96.

1. 20-25 cpw Minimum

Field Sales contacts agreed that in the Urban environment, 20-25 cpw was an acceptable cutoff. Approximately 9% of our store list consists of accounts which fall below this minimum. This results in a total acceptable store base of approximately 7,782 accounts.

2. STARS Matching

On average, 25% of the Urban Visibility accounts matched with the 60,000 account list provided by Marlboro/STARS.

Next Step: Automate cpw list and compare against STARS matching list.
By Whom: Powerforce/Act Now
Estimated completion date: 1/29

3. Reduction in Chicago and Detroit Markets

Based on current store counts, van capacity in Chicago may be reduced from four van teams to three, and in Detroit from four van teams to two. This would result in an estimated cost savings of $193,000. This amount may be used to help fund part of the Atlanta market. Cost savings will be finalized once closed bid process is complete.

4. Promo/POS Allocations

As mentioned earlier, current Promo/POS allocations should last through March 1, 1996.

Next Step:
Determine what Promotional incentives are available for Urban Visibility accounts.
Receive feedback on POS selected by Trade Marketing (12/15) for use in the '96 Program.
By Whom: S. Norris, D. Tatum
Estimated completion date: 1/22

5. B&H Co-funding

B&H, Marlboro and Trade Marketing are in the process of finalizing Program specifications. Estimated contribution is $678,369 which will be used to assist in the Program's expansion to Atlanta, LA and New Orleans. This amount does not include funds for POS/Promo allocations.

Next Step: B&H financial commitment to be confirmed.
By Whom: R. Ferrin, R. Weiner
Estimated completion date: 1/22

cc: R. Ferrin
S. Hammond
D. Tatum
R. Weiner

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